

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2013-20

REZA SHAHABDONBALI
(aka REZA SHAHAB)
doing business under the fictitious name of
RAY SHAHAB, CPA
421 South Mountain Glen Road
Anaheim, CA 92807

Certified Public Accountant
Certificate No. 103288
Fictitious Permit Name No. 2365

Respondent.

DECISION AND ORDER

The attached Stipulated Surrender of License and Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on August 31, 2013.

It is so ORDERED August 1, 2013.


FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 KAMALA D. HARRIS
Attorney General of California
2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
3 CARL W. SONNE
Deputy Attorney General
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Attorneys for Complainant

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10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. AC-2013-20

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13 **(aka REZA SHAHAB)**
14 **doing business under the fictitious name of**
15 **RAY SHAHAB, CPA**
421 South Mountain Glen Road
Anaheim, CA 92807

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

16 **Certified Public Accountant**
17 **Certificate No. 103288**
Fictitious Permit Name No. 2365

18 Respondent.

19
20 IT IS HEREBY STIPULATED AND AGREED by and between the parties in this
21 proceeding that the following matters are true:

22 **PARTIES**

23 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
24 Accountancy. She brought this action solely in her official capacity and is represented in this
25 matter by Kamala D. Harris, Attorney General of the State of California, by Carl W. Sonne,
26 Deputy Attorney General.

27 2. Reza Shahabdonbali aka Reza Shahab (Respondent) is represented in this proceeding
28 by attorney Donald B. Serafano, whose address is PO Box 3531, Huntington Beach, CA 92605.

3. On or about November 19, 2008, the California Board of Accountancy issued Certified Public Accountant Certificate No. CPA103288 to Reza Shahabdonbali (Respondent). On April 25, 2012, the California Board of Accountancy issued Fictitious Name Permit 2365, permitting Respondent to use the fictitious name of Ray Shahab, CPA. The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2013-20 and will expire on February 28, 2014, unless renewed.

JURISDICTION

4. Accusation No. AC-2013-20 was filed before the California Board of Accountancy (CBA), Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on May 21, 2013. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2013-20 is attached as Exhibit A and incorporated by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. AC-2013-20. Respondent also has carefully read, fully discussed with counsel, and understands the effects of this Stipulated Surrender of License and Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel, at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above,

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13. This Stipulated Surrender of License and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Surrender of License and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

14. In consideration of the foregoing admissions and stipulations, the parties agree that the CBA may, without further notice or formal proceeding, issue and enter the following Order:

ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA103288, and Fictitious Name Permit 2365, issued to Respondent Reza Shahabdonbali aka Reza Shahab, dba Ray Shahab, CPA, is surrendered and accepted by the California Board of Accountancy.

1. Respondent shall lose all rights and privileges as a certified public accountant in California as of the effective date of the CBA's Decision and Order. The surrender of Respondent's Certified Public Accountant Certificate and the acceptance of the surrendered license by the CBA shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the California Board of Accountancy.

2. Respondent shall cause to be delivered to the CBA his pocket license and, if one was issued, his wall certificate on or before the effective date of the Decision and Order.

3. If Respondent ever files an application for licensure or a petition for reinstatement in the State of California, the CBA shall treat it as a petition for reinstatement. Respondent must comply with all the laws, regulations and procedures for reinstatement of a revoked license in effect at the time the petition is filed, and all of the charges and allegations contained in Accusation No. AC-2013-20 shall be deemed to be true, correct and admitted by Respondent when the CBA determines whether to grant or deny the petition.


4. Respondent shall pay the agency its costs of investigation and enforcement in the amount of \$6,479.02 prior to issuance of a new or reinstated license.

1 5. If Respondent should ever apply or reapply for a new license or certification, or
2 petition for reinstatement of a license, all of the charges and allegations contained in Accusation
3 No. AC-2013-20 shall be deemed to be true, correct, and admitted by Respondent for the purpose
4 of any Statement of Issues or any other proceeding seeking to deny or restrict licensure.

5 ACCEPTANCE


6 I have carefully read the above Stipulated Surrender of License and Order and have fully
7 discussed it with my attorney, Donald B. Serafano. I understand the stipulation and the effect it
8 will have on my Certified Public Accountant Certificate. I enter into this Stipulated Surrender of
9 License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the
10 Decision and Order of the California Board of Accountancy.

11
12 DATED: 7/3/2013


REZA SHAHABDONBALI aka REZA SHAHAB
dba RAY SHAHAB, CPA
Respondent

13
14
15 I have read and fully discussed with Respondent Reza Shahabdonbali the terms and
16 conditions and other matters contained in this Stipulated Surrender of License and Order. I
17 approve its form and content.

18
19 DATED: 07/03/2013


DONALD B. SERAFANO
Attorney for Respondent

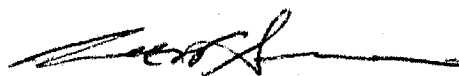
1 ENDORSEMENT

2 The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted
3 for consideration by the California Board of Accountancy of the Department of Consumer
4 Affairs.

5 Dated: *July 10, 2013*

Respectfully submitted,

6 KAMALA D. HARRIS
7 Attorney General of California
8 JAMES M. LEDAKIS
9 Supervising Deputy Attorney General



10 CARL W. SONNE
11 Deputy Attorney General
12 *Attorneys for Complainant*

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Exhibit A

Accusation No. AC-2013-20

1 KAMALA D. HARRIS
Attorney General of California
2 JAMES M. LEDAKIS
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A C C U S A T I O N

16 **Certified Public Accountant**
17 **Certificate No. 103288**
Fictitious Permit Name No. 2365

18
19 Respondent.

20
21 Complainant alleges:

22 **PARTIES**

- 23 1. Patti Bowers (Complainant) brings this Accusation solely in her official capacity as
24 the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.
- 25 2. On or about November 19, 2008, the California Board of Accountancy issued
26 Certified Public Accountant Certificate Number 103288 to Reza Shahabdonbali aka Reza Shahab
27 (Respondent). On April 25, 2012, the California Board of Accountancy issued Fictitious Name
28 Permit 2365, permitting Respondent to use the fictitious name of Ray Shahab, CPA

1 (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times
2 relevant to the charges brought herein and will expire on February 28, 2014, unless renewed.

3 JURISDICTION

4 3. This Accusation is brought before the California Board of Accountancy (CBA),
5 Department of Consumer Affairs, under the authority of the following laws. All section
6 references are to the Business and Professions Code unless otherwise indicated.

7 4. Section 5109 states:

8 The expiration, cancellation, forfeiture, or suspension of a license, practice
9 privilege, or other authority to practice public accountancy by operation of law or
10 by order or decision of the board or a court of law, the placement of a license on a
11 retired status, or the voluntary surrender of a license by a licensee shall not deprive
the board of jurisdiction to commence or proceed with any investigation of or
action or disciplinary proceeding against the licensee, or to render a decision
suspending or revoking the license.

12 5. Section 5060 states:

13 (a) No person or firm may practice public accountancy under any name which is
14 false or misleading.

15 (b) No person or firm may practice public accountancy under any name other than
16 the name under which the person or firm holds a valid permit to practice issued by
the board.

17 (c) Notwithstanding subdivision (b), a sole proprietor may practice under a name
18 other than the name set forth on his or her permit to practice, provided the name is
registered by the board, is in good standing, and complies with the requirements of
subdivision (a).

19 (d) The board may adopt regulations to implement, interpret, and make specific the
20 provisions of this section including, but not limited to, regulations designating
particular forms of names as being false or misleading.

21 6. Section 5100 states in pertinent part:

22 After notice and hearing the board may revoke, suspend, or refuse to renew
23 any permit or certificate granted under Article 4 (commencing with Section 5070)
24 and Article 5 (commencing with Section 5080), or may censure the holder of that
25 permit or certificate for unprofessional conduct that includes, but is not limited to,
one or any combination of the following causes:

26 ...

27 (c) Dishonesty, fraud, gross negligence, or repeated negligent acts committed in
28 the same or different engagements, for the same or different clients, or any
combination of engagements or clients, each resulting in a violation of applicable
professional standards that indicate a lack of competency in the practice of public

1 accountancy or in the performance of the bookkeeping operations described in
2 Section 5052.

3 ...

4 (i) Fiscal dishonesty or breach of fiduciary responsibility of any kind.

5 ...

6 (k) Embezzlement, theft, misappropriation of funds or property, or obtaining
7 money, property, or other valuable consideration by fraudulent means or false
8 pretenses.

9 COSTS

10 7. Section 5107 states:

11 (a) The executive officer of the board may request the administrative law
12 judge, as part of the proposed decision in a disciplinary proceeding, to direct any
13 holder of a permit or certificate found to have committed a violation or violations
14 of this chapter to pay to the board all reasonable costs of investigation and
15 prosecution of the case, including, but not limited to, attorneys' fees. The board
16 shall not recover costs incurred at the administrative hearing.

17 FACTS

18 8. Respondent was employed by Zarrinkelk, Kashefipour & Co., CPAs (Firm) from
19 December 1997 until January 2012. During his employment at the Firm, Respondent had access
20 to a client trust account for which the account owner and one of the Firm's partners were
21 signatories. From January 2011 until January 2012, Respondent, without authorization,
22 permission or consent, used the client trust account to pay for his personal American Express
23 charges as follows:

<u>Date</u>	<u>Amount</u>
January 10, 2011	\$1,250.00
February 16, 2011	\$825.00
May 3, 2011	\$316.84
September 12, 2011	\$486.79
October 3, 2011	\$685.75
October 14, 2011	\$739.25
November 2, 2011	\$710.98

November 15, 2011	\$1,485.75
December 1, 2011	\$1,385.00
January 2, 2012	<u>\$1,410.08</u>
Total	<u>\$9,295.44</u>

9. After his misappropriation of the client funds, Respondent ceased working for the Firm on or about January 27, 2012. On his last day of employment, Respondent delivered to the Firm two cashiers' checks totaling \$7,885.36 in partial payment of the sums Respondent misappropriated. Respondent wrote a separate personal check for \$1,410.08 to the client trust account to cover the difference between the \$9,295.44 removed by Respondent and the \$7,885.36 in cashiers' checks paid by Respondent.

10. During the course of his employment at the Firm, Respondent used the name of Ray Shahab in his profession and had business cards bearing that name and the name of the Firm. Respondent was not authorized to use the fictitious name of Ray Shahab until receiving a fictitious name permit from the CBA in April 2012.

FIRST CAUSE FOR DISCIPLINE

(Dishonesty, Fraud)

11. Respondent has subjected his license to disciplinary action under section 5100, subdivision (c) of the Code in that he knowingly engaged in acts of dishonesty and fraud, as described in paragraphs 8 and 9 above.

SECOND CAUSE FOR DISCIPLINE

(Fiscal Dishonesty and Breach of Fiduciary Duty)

12. Respondent has subjected his license to disciplinary action under section 5100, subdivision (i) of the Code in that he knowingly engaged in fiscal dishonesty and/or breaches of fiduciary duty by misappropriating to his personal use client trust funds as described in paragraphs 8 and 9 above.

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1 THIRD CAUSE FOR DISCIPLINE

2 (Theft)

3 13. Respondent has subjected his license to disciplinary action under section 5100,
4 subdivision (k) of the Code in that he knowingly engaged in embezzlement, theft,
5 misappropriation of funds or property or obtained money or property or other valuable
6 consideration by fraudulent means or false pretenses, as described in paragraphs 8 and 9 above.

7 FOURTH CAUSE FOR DISCIPLINE

8 (Use of Unregistered Name)

9 14. Respondent is subject to disciplinary action under section 5060 in that Respondent
10 used the unregistered name of "Ray Shahab" as a certified public accountant prior to receiving a
11 fictitious business name permit in April 2012, as described in paragraph 10 above.

12 PRAYER

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
14 and that following the hearing, the California Board of Accountancy issue a decision:

15 1. Revoking or suspending or otherwise imposing discipline upon Certified Public
16 Accountant Certificate Number 103288, issued to Reza Shahabdonbali, aka Reza Shahab, dba
17 Ray Shahab, CPA;

18 2. Ordering Reza Shahabdonbali, aka Reza Shahab, dba Ray Shahab, CPA, to pay the
19 California Board of Accountancy the reasonable costs of the investigation and enforcement of this
20 case, pursuant to Business and Professions Code section 5107; and

21 3. Taking such other and further action as deemed necessary and proper.

22
23
24 DATED: May 17, 2013

Patti Bowers
PATY BOWERS
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

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